

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-07 FRB-03 INR-07
NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01
LAB-04 SIL-01 OMB-01 ARAE-00 PA-01 PRS-01 NSC-05
SS-15 STR-04 CEA-01 EUR-12 AGRE-00 L-03 H-01 /096 W
-----101610Z 124454 /65

P R 101355Z JAN 77

FM AMEMBASSY GEORGETOWN

TO SECSTATE WASHDC PRIORITY 3990

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY KINGSTON

AMEMBASSY PARAMARIBO

AMEMBASSY PORT OF SPAIN

USDOC WASHDC

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E.O. 11652: N/A

TAGS: EFIN, EAID, GY

SUBJECT: 1977 BUDGET SPEECH DEBATE

REF: GEORGETOWN 0011

SUMMARY: THE PARLIAMENTARY DEBATES ON THE GOVERNMENT'S
PROPOSED 1977 BUDGET BEGAN LAST WEDNESDAY. THESE DEBATES,
AS REPORTED IN THK "GUYANA CHRONICLE," ARE REMINISCENT OF
A "60 MINUTES" (THE TV PROGRAM) POINT AND COUNTERPOINT
EMBELLISHED WITH POLITICAL RHETORIC AND APPROPRIATELY
SPICED WITH SELECT STATISTICAL FACTS. THE FOLLOWING
COMPOSITE WAS EXTRACTED FROM ARTICLES WHICH APPEARED IN
THE "GUYANA CHRONICLE" ON JANUARY 6,7,8 AND 9. END SUMMARY.

1. CHEDDI JAGAN (PPP) CONTENDED THAT THE GOVERNMENT (PNC)
WAS ATTEMPTING TO SHIFT THE BLAME FOR THE CURRENT ECONOMIC
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DIFFICULTIES FROM THE PNC TO EXTERNAL SOURCES.
ON BEHALF OF THE PNC, FOREIGN AND JUSTICE MINISTER
FRED WILLS ARGUED THAT HOSTILE ATTITUDES AND ACTS
EMANATING "FROM SOME OUTSIDE SOURCES" CAN BE
TRACED FROM THE TIME GUYANA ESTABLISHED RELATIONS
WITH CUBA. MINISTER WILLS CONTENDED THAT THE
OPPOSITION FAILED TO APPRECIATE GUYANA'S STRATEGIC POSITION

AS WELL AS THE "APPLICATION OF SCIENTIFIC SOCIALISM."

2. IN PRESENTING THE PPP'S 17-POINT SOLUTION, DR. JAGAN ARGUED THAT THE "SUPERSTRUCTURE" NEEDED CHANGING. THE PPP'S "SOLUTION" INCLUDED NATIONALIZATION OF BANKS AND INSURANCE COMPANIES, LAND REFORM, A CENTRALLY PLANNED ECONOMY, AND CLOSER RELATIONS WITH SOCIALIST COUNTRIES "HEADED BY THE SOVIET UNION." ECONOMIC DEVELOPMENT MINISTER DESMOND HOYTE RESPONDED IN HIS PRESENTATION WITH A LITANY OF STATISTICAL DATA COMPARING THE ACHIEVEMENTS OF THE PNC SUPERSTRUCTURE (1964-1975) WITH THE ALLEGEDLY LESS SUCCESSFUL JAGAN DAYS (1954-1964).

3. THE OPPOSITION ARGUED THAT PNC PRIORITIES WERE MISLAID. THE PPP CONTENDED THAT LESS MONEY SHOULD BE SPENT ON INFRASTRUCTURE AND MORE ON INCREASING PRODUCTION (PARTICULARLY TO BENEFIT THE RICE FARMERS AND THE SUGAR WORKERS). IN ADDITION, INCREASED TRADE WITH EASTERN BLOC COUNTRIES SHOULD REPLACE WESTERN SOURCES. MINISTER GEORGE KING (TRADE AND CONSUMER PROTECTION) ACCUSED THE PPP OF "IMPORT MENTALITY." MINISTER KING POINTED OUT THAT TRADE WITH THE EASTERN BLOC WAS INCREASING. MINISTER OF STATE KIT NASCIMENTO ELABORATED ON THE TRANSPORTATION ISSUE, COMPARING AIR AND ROAD TRANSPORTATION UNDER THE PNC AND THE PPP GOVERNMENTS. MINISTER NASCIMENTO ALSO ANNOUNCED THAT THE PUBLIC TRANSPORTATION SYSTEM WILL BE EXPANDED TO INCLUDE 700 BUSES AND EMPLOY LIMITED OFFICIAL USE

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5,000 PEOPLE BY 1980.

4. THE PPP'S REEPU DAMAN PERSAUD BRANDED THE PNC'S AGRICULTURAL POLICY A "DISMAL FAILURE." HE CALLED FOR DISCONTINUING THE SUGAR LEVY AS WELL AS INCREASING THE PRICES OF RICE AND RETURNING CONTROL OF THE RICE INDUSTRY TO THE RICE PRODUCER'S ASSOCIATION. MR. PERSAUD ALSO QUESTIONED THE DELAYS IN THE MAHAICA-MAHAICONY-ABARY WATER CONTROL PROJECT. MINISTER OF AGRICULTURE GAVIN KENNARD PRODUCED STATISTICAL DATA INDICATING INCREASED 1964-1975 PRODUCTION IN THE AGRICULTURAL SECTOR. DISCONTINUING THE SUGAR LEVY TO BENEFIT THE SUGAR WORKERS WHEN THE REVENUE COULD BE USED FOR NATIONAL DEVELOPMENT WAS COUNTERED AS "CAPITALISTIC." IN HIS PRESENTATION, MINISTER KENNARD ALSO ANNOUNCED A NEW G\$10 MILLION PROJECT ("POSSIBLE" TO BE FINANCED BY THE IDB) TO IMPROVE FOOD CROP COLLECTION, STORAGE AND DISTRIBUTION FACILITIES.

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5. ON EDUCATION, A PPP SPOKESMAN (MR. FEROZE MOHAMED) URGED THE GOVERNMENT TO USE EDUCATION (AND THE MASS MEDIA) TO INSTILL PATRIOTISM AND ANTI-IMPERIALISM AND TO SPREAD THE CONCEPTS OF MARX, ENGELS AND LENIN. EDUCATION MINISTER CECILENE BAIRD COMMENTED THAT THE PNC WAS COMMITTED TO EDUCATION AS THE INSTRUMENT OF SOCIALIST TRANSFORMATION. SHE NOTED THAT DESPITE THE ECONOMIC DIFFICULTIES, THE EDUCATION BUDGET HAD NOT BEEN CUT.

6. COMMENT: SO FAR THE 1977 BUDGET INTRODUCTION AND ACCOMPANYING DEBATE HAVE PRODUCED A FLURRY OF STATISTICAL INFORMATION. THE DATA, USUALLY A SUPPORTIVE APPENDIX TO A MINIATURE THESIS, IS OFTEN CONFUSING AND CONTRADICTORY. LITTLE MENTION IS MADE OF STATISTICAL METHODS OR CONTENT. INSTEAD, THE ECONOMY IS BEING PRESENTED IN BITS
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AND PIECES, WITH STATISTICAL GAPS A MILE WIDE.
WHILE THE CONFUSION DOESN'T APPEAR CONTRIVED, IT CERTAINLY
SEEMS CONVENIENT. HOPEFULLY THE "1977 ESTIMATES, CURRENT AND
CAPITAL, OF GUYANA" WILL SHED A LITTLE MORE LIGHT WHEN AVAILABLE.
MCCOY

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